

Los Angeles County Board of Supervisors

Hilda L. Solis

May 24, 2016

Mark Ridley-Thomas

Sheila Kuehl Third Dietrick County of Los Angeles

Don Knabe

383 Kenneth Hahn Hall of Administration

The Honorable Board of Supervisors

Fourth District

500 West Temple Street

Michael D. Antonovich

Los Angeles, California 90012

Dear Supervisors:

Mitchell H. Katz, M.D.

Hal F. Yee, Jr., M.D., Ph.D. Chief Medical Officer

Christina R. Ghaly, M.D. Chief Operations Officer APPROVAL OF ORDINANCE TO AMEND THE COUNTY CODE,
TITLE 7- BUSINESS LICENSES,
CHAPTER 7.16, AMBULANCES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

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www.dhs.lacounty.gov

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

SUBJECT

Request approval of an ordinance to amend County Code, Title 7, Business Licenses, Chapter 7.16, Ambulances, Sections 7.16.280, 7.16.310, 7.16.340 and 7.16.341 to allow the Department of Health Services' Emergency Medical Services Agency to revise the rates and the methodology for modifying the rate schedule for ambulances.



The Honorable Board of Supervisors 5/24/2016 Page 2

IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING,

Approve and adopt the attached ordinance change (Exhibit I) to County Code Title 7, Business Licenses, Chapter 7.16, Ambulances, to amend the rates in County Code Section 7.16.280, Rate Schedule for Ambulances, and County Code Section 7.16.310, Special Charges, as listed in Attachment A, as well as to amend various provisions in County Code Sections 7.16.280, 7.16.310, 7.16.340, and 7.16.341 related to the modification of rates.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 21, 2015 the Board approved a motion, instructing the Director of the Department of Health Services' (DHS) to have the Emergency Medical Services (EMS) Agency provide a report on the impact of the minimum wage increase to the Emergency Medical Transport System. In the final report to the Board, the EMS Agency identified changing the methodology used to calculate the maximum rates chargeable as the most tangible action to address the increased cost to ambulance company operations from the minimum wage increase. This report also identified the need to amend the ambulance ordinance to carve out a maximum allowable rate for emergency ambulance transportation originating from an emergency 9-1-1 call, as the readiness cost greatly impacts the cost of this service.

The EMS Agency has historically based the modification of rates for ambulances on the average in the percentage changes of the Transportation line item and the Medical Care line item of the Consumer Price Index (CPI) for All Urban Consumers, Western Region. In addition to proposing an adjustment to the base rates to account for the change in minimum wage, the EMS Agency has taken the opportunity to propose changes to County Code Sections 7.16.280, Rate Schedule for Ambulances; 7.16.310, Special Charges; 7.16.340, Modification of Rates; and 7.16.341, Period Base Rate Review, last changed in 1994. The proposed rates and formula for an annual adjustment align with current medical billing and insurance reimbursement practices.

Current reimbursement practices by payors do not provide for reimbursement for certain individual line items as delineated in County Code Sections 7.16.280 and 7.16.330, such as Code 2, backboards, cervical collars, and bandages; thus, the EMS Agency proposes these rates be deleted from the County Code. To address this issue of non-reimbursement of certain individual line items, the proposed rates are based on adding the common line item components of each transport to the basic fees and in essence bundling these charges into a Basic Life Support (BLS) emergency 9-1-1 or non-emergency rate, an Advanced Life Support (ALS) emergency 9-1-1 or non-emergency rate and Specialty Care Transport (SCT) rates. However, line items that are recognized by payors, such as mileage, are preserved in the proposed rates.

The proposed rate changes for BLS, ALS and SCT rates were determined taking into account the addition of common line items and percent of salary increase reflective of the County Code Section 8.100.040, Minimum Wage, and the percentage of an ambulance company's operating expenses attributed to employee salary and benefits. With the passage of the Minimum Wage Ordinance, the impact to Ambulance Operators is significant as, on average, seventy-five (75) percent of an ambulance company's operating expenses are related to salaries and employee benefits, as determined by evaluating information of a sampling of current ambulance companies and in discussions with the Los Angeles County Ambulance Association representing private ambulance companies operating in Los Angeles County. The largest portion of an ambulance company's workforce is comprised of Emergency Medical Technicians and this staff is paid minimum wage. The proposed rate changes serve to help mitigate this impact of the increase in minimum wage.

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In addition, a higher fee was established for an emergency 9-1-1 response for both ALS and BLS in order to be consistent with the MediCare reimbursement practice of assigning a higher relative value unit for emergency 9-1-1 transports. This fee takes into account the added cost of readiness in order to meet the mandated response time of 8 minutes and 59 seconds.

The proposed changes to County Code Section 7.16.340, Modification of Rates define how the annual review of the rates are adjusted consistent with the percentage change of the minimum wage, as delineated in County Code Section 8.100.040, Minimum Wage, as well as with the percentage change in the Transportation or Medical Care line items of the CPI for Urban Consumers, West Region, as applicable. DHS proposes to delete County Code Section 7.16.341, Period Base Rate Review, to streamline the process of modifying rates and ensure that any changes in allowable charges reflect actual industry influences.

Approval of the recommendation will amend the County Code to: 1) establish base ambulance rates for emergency and non-emergency transports; 2) make changes to all rates including increases, decreases, and deletion of select rates, and 3) change how rates are modified on an annual basis.

<u>Implementation of Strategic Plan Goals</u>

The recommended actions support Goal 2, Community Support and Responsiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no fiscal impact to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

State law, including the EMS System and the Prehospital Emergency Medical Care Personnel Act (EMS Act), found under California Health and Safety Code Section 1797, et. seq., provides the County with the necessary legal authority for the proposed amendments.

A local agency is required to hold a public hearing at which oral or written presentations can be made pursuant to the California Government Code (Government Code), Section 66018. The Executive Office of the Board of Supervisors, in accordance with Government Code Section 6062 (a), published an official notice of the time and place of said meeting, including a general explanation of the fees to be established or revised.

County Counsel has reviewed and approved Exhibit I.

CONTRACTING PROCESS

Not applicable because this is an ordinance to amend County Code, not an Agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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If approved, the new and amended County Code provisions for ambulance rates and modification of ambulance rates will be enacted thirty (30) days following the Board's approval with new rates being effective July 1, 2016.

Respectfully submitted,



Mitchell H. Katz, M.D.

Director

MHK:KH:CC

Enclosures

c: Chief Executive Office Executive Office, Board of Supervisors County Counsel Auditor-Controller

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES EMERGENCY MEDICAL SERVICES (EMS) AGENCY

Ambulance Rates For One Patient	Current Rate ¹	Proposed Rate ²	
Rate Schedule for Ambulances:			
Response to call with equipment and personnel at an advanced life	\$1,561.00	Delete Rate	
support (ALS) level ³	Ψ1,501.00	Delete Nate	
Response to a non-emergency call with equipment and personnel at	N/A	\$1,776.00	
an advanced life support (ALS) level ³		Ψ1,110.00	
Response to an emergency 9-1-1 call with equipment and personnel	N/A	\$1,900.00	
at an advanced life support (ALS) level ³	14/71	Ψ1,000.00	
Response to call with equipment and personnel at a basic life	\$1,012.75	Delete Rate	
support (BLS) level ³	Ψ1,012.70	Boloto Rato	
Response to a non-emergency call with equipment and personnel at	N/A	\$1,183.00	
a basic life support (BLS) level ³	. 47.	V .,. Co .co	
Response to an emergency 9-1-1 call with equipment and personnel	N/A	\$1,268.00	
at a basic life support (BLS) level ³		* 1,=3310	
Code 3 (or emergent) used during response or transport, per	\$126.75	Delete Rate	
incident ³			
Code 2 (or non-emergent) used during response or transport per	\$50.00	Delete Rate	
incident ³	, ,	# 40.00	
Mileage Rate. Each mile or fraction thereof	\$18.50	\$18.00	
Waiting Time. For each 15-minute period or fraction thereof after			
the first 15 minutes of waiting time at the request of the person	\$50.00	Delete Rate	
hiring the ambulance ⁴			
Waiting Time. For each 30-minute period or fraction thereof after			
the first 30 minutes of waiting time at the request of the person	N/A	\$100.00	
hiring the ambulance ⁴			
Standby Time. The base Rate for the prescribed level of service	4		
and, in addition, for each 15-minute period or fraction thereof after	\$47.75	Delete Rate	
the first 15 minutes of standby time ⁴			
Standby Time. The base Rate for the prescribed level of service	N 1/A	# 00.00	
and, in addition, for each 30-minute period or fraction thereof after	N/A	\$96.00	
the first 30 minutes of standby time ⁴			

¹Last revised on May 14, 2015, effective July 1, 2015, in accordance with the current methodolgy set forth in County Code Section 7.16.340- Modification of rates.

²Revised rates are based in part on the Minimum Wage increase and the Consumer Price Index for Urban Consumers, West Region, Medical Care and Transportation line items, as applicable.

³ALS/BLS rates are now two rates to differentiate between non-emergency and 9-1-1 emergency services.

⁴Time period increased to 30 minutes, since 15 minute wait time is customary and acceptable.

Ambulance Rates For One Patient	Current Rate ¹	Proposed Rate ²
Special Charges:		
Request for service after 7:00 p.m. and before 7:00 a.m. of the next day will be subject to an additional maximum charge of ⁵	\$82.25	\$20.00
Persons requiring oxygen shall be subject to an additional maximum charge per tank or fraction thereof ⁶	\$63.75	Delete Rate
Persons requiring oxygen shall be subject to an additional maximum charge per tank or fraction thereof and oxygen delivery equipment to include nasal cannula and/or oxygen mask, of ⁶	N/A	\$92.00
Backboard, splints, KED ⁷	\$49.75	Delete Rate
Traction splints ⁷	\$90.00	Delete Rate
Transport—noncompany staff medical personnel—first one-half hour ⁸	\$31.75	Delete Rate
Neonatal transport	\$189.75	\$190.00
Ice packs ⁷	\$26.50	Delete Rate
Bandages, dressing ⁷	\$26.50	Delete Rate
Oxygen cannula/mask ⁷	\$26.50	Delete Rate
Cervical collar ⁷	\$44.75	Delete Rate
Obstetrical kit ⁷	\$48.75	Delete Rate
Burn kit ⁷	\$48.75	Delete Rate
Nurse critical care transport—per hour ⁹	\$226.25	Delete Rate
Volume ventilator	\$170.75	\$176.00
Respiratory therapist for the first three hours, and \$117.25 per hour after the first three hours ⁹	\$257.75	Delete Rate
Registered Nurse or Respiratory Therapist Specialty Care Transport with equipment and personnel for up to three (3) hours of transportation time ⁹	N/A	\$2,137.00
Registered Nurse and Respiratory Therapist Specialty Care Transport with equipment and personnel for up to three (3) hours of transportation time ⁹	N/A	\$2,416.00
Registered Nurse and/or Respiratory Therapist for per hour after the first three hours ⁹	N/A	\$114.00
Pulse oximeter ⁷	\$86.00	Delete Rate
Infusion pump (per line) ⁷	\$86.00	Delete Rate
Automated external defibrillator (AED) ⁷	\$86.00	Delete Rate
Continuous positive airway pressure (CPAP) ⁷	\$86.00	Delete Rate
Disposable Medical Supplies ⁷	N/A	\$27.00

⁵Proposed rate is lower than the current rate because services were bundled to incorporate the customary items utilized for each category of service and a portion of this fee was added to the bundled ALS or BLS rate.

⁶New proposed rate now includes the disposable supplies (i.e. nasal canula and/or oxygen mask) associated with oxygen delivery.

⁷These medical supply item rates are being deleted since these items are all disposable or the rate was for a disposable supply component of the equipment. Now a single disposable medical supply fee is proposed to simplify billing.

⁸This rate is being deleted as the extra personnel are already accounted for in the proposed ALS rates or the new proposed bundled rate for specialty care transports.

⁹These items were changed to bundle the costs of the transport and personnel. Currently, ALS transport and Nurse/Respiratory Therapist are billed separately.

NOTICE OF HEARING PROPOSED AMENDMENT TO COUNTY CODE TITLE 7- BUSINESS LICENSES, CHAPTER 7.16, AMBULANCES TO BE HELD May 24, 2016

Notice is hereby given that a public hearing will be held by the County of Los Angeles Board of Supervisors regarding a proposed ordinance to amend the rates in County Code Section 7.16.280, Rate Schedule for Ambulances, and County Code Section 7.16.310, Special Charges as well as to amend various provisions in County Code Sections 7.16.280, 7.16.310, 7.16.340, and 7.16.341 related to the modification of rates. These rates represent the allowable maximum rates chargeable by ground ambulance operators to the general public for ground ambulance services.

Said hearing will be held on **Tuesday, May 24, 2016, at 9:30 a.m.**, in the hearing room of the Board of Supervisors, **Room 381B**, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

At the hearing, the Board of Supervisors will consider an ordinance revising the allowable maximum rates chargeable to the general public and the methodology by which these rates are modified. Further notice is given that the Board of Supervisors may continue this hearing.

Upon a 72-hour notice, the County can provide program information and publications in alternate formats or make other accommodations for people with disabilities. In addition, documents are available at the Kenneth Hahn Hall of Administration in Los Angeles (500 West Temple Street), which is accessible to individuals with disabilities. To request accommodations ONLY, or for more ADA information, please contact our ADA Coordinator at (213) 974-1431 or TDD (213) 974-1707, Monday through Thursday, 7:00 a.m. to 5:30 p.m.

Si no entiende este anuncio o necesita más informacíon, por favor llame al (213) 974-2111, de lunes a viernes, 8:00 a.m. a 5:00 p.m.

Lori Glasgow
Executive Officer-Clerk
of the Board of Supervisors

ANALYSIS

This ordinance amends Title 7 – Business Licenses of the Los Angeles County Code, by revising the maximum charges that a ground ambulance may charge for its services and revising the methodology for the annual adjustment of these rates.

MARY C. WICKHAM County Counsel

By

EDWARD A. MORRISSEY
Principal Deputy County Counsel

Health Services Division

EAM:km

Requested: Revised: 03/10/16 04/29/16

ORDINANCE NO.	

An ordinance amending Title 7 – Business Licenses of the Los Angeles County Code, by revising the maximum charges that a ground ambulance may charge for its services and revising the methodology for the annual adjustment of these rates.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1.

Section 7.16.280 is hereby amended to read as follows:

7.16.280

Rate sSchedule for aAmbulances.

A. A ground ambulance operator shall charge no more than the following rates for one patient:

1.	Response to call with equipment and personnel at an advanced life support (ALS) level	\$1,561.00
2.	Response to call with equipment and personnel at a basic life support (BLS) level	\$1,012.75
3.	Code 3 (or emergent) used during response or transport, per incident	\$126.75
4.	Code 2 (or non-emergent) used during response or transport per incident	\$50.00
5.	Mileage Rate. Each mile or fraction thereof	\$18.50
6.	Waiting Time. For each 15 minute period or fraction thereof after the first 15 minutes of waiting time at the request of the person hiring the ambulance	\$50.00

Standby Time. The ba	e for the prescribed level of service and, ir	A
7. addition, for each 15-	period or fraction thereof after the first 15	\$47.75
minutes of standby tir		

<u>1.</u>	Response to a non-emergency call with equipment and personnel at an	\$1,776.00
	advanced life support (ALS) level	
<u>2.</u>	Response to an emergency 9-1-1 call with equipment and personnel at	\$1,900.00
	an advanced life support (ALS) level	
3.	Response to a non-emergency call with equipment and personnel at a	\$1,183.00
	basic life support (BLS) level	
4.	Response to an emergency 9-1-1 call with equipment and personnel at	\$1,268.00
	a basic life support (BLS) level	
<u>5.</u>	Mileage Rate. Each mile or fraction thereof	<u>\$18.00</u>
<u>6.</u>	Waiting Time. For each 30-minute period or fraction thereof after the	\$100.00
	first 30 minutes of waiting time at the request of the person hiring the	
	ambulance	
7.	Standby Time. The base rate for the prescribed level of service and, in	\$96.00
	addition, for each 30-minute period or fraction thereof after the first 30	
	minutes of standby time	

B. This section does not apply to a contract between the ambulance operator and the county where different rates or payment mechanisms are specified.

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* Editor's note: Fee changes in this section include changes made by the Director of Emergency Medical Services Agency due to increases in the Consumer Price Indexinaccordance with County Code Section 7.16.340 – Modification of Rates and are effective July 1, 20152017, and every July 1 thereafter.

SECTION 2.

Section 7.16.310 is hereby amended to read as follows:

7.16.310

Special eCharges.*

A. A ground ambulance operator shall charge no more than the following rates for special ancillary services:

1.	Request for service after 7:00 p.m. and before 7:00 a.m. of the next day will be subject to an additional maximum charge of	\$ 82.25
2.	Persons requiring oxygen shall be subject to an additional maximum charge per tank or fraction thereof, of	\$63.75
3.	Backboard, splints, KED	\$49.75
4.	Traction splints	\$90.00
5.	Transport noncompany staff medical personnel first one half hour	\$31.75
6.	Neonatal transport	\$189.75
7.	Ice packs	\$26.50
8.	Bandages, dressing	\$26.50
9.	Oxygen cannula/mask	\$26.50
10.	Cervical collar	\$44.75

11.	Obstetrical kit	\$48.75
12.	Burn-kit	\$48.75
13.	Nurse critical care transport—per hour	\$226.25
14.	Volume ventilator	\$170.75
15.	Respiratory therapist for the first three hours, and \$117.25 per hour after the first three hours	\$ 257.75
16.	Pulse oximeter	\$86.00
17.	Infusion pump (per line)	\$86.00
18.	Automated external defibrillator (AED)	\$86.00
19.	Continuous positive airway pressure (CPAP)	\$86.00

<u>1.</u>	Request for service after 7:00 p.m. and before 7:00 a.m. of the next day will be subject to an additional maximum charge of	\$20.00
2.	Persons requiring oxygen shall be subject to an additional maximum charge per tank or fraction thereof and oxygen delivery equipment to include nasal cannula and/or oxygen mask, of	\$92.00
<u>3.</u>	Neonatal transport	\$190.00
<u>4.</u>	Registered Nurse or Respiratory Therapist Specialty Care Transport with equipment and personnel for up to 3 hours of transportation time	\$2,137.00
<u>5.</u>	Registered Nurse and Respiratory Therapist Specialty Care Transport	\$2,416.00

	with equipment and personnel for up to 3 hours of transportation time	
<u>6.</u>	Registered Nurse and/or Respiratory Therapist for per hour after the	\$114.00
	first 3 hours	
<u>7.</u>	Volume ventilator	\$176.00
8.	Disposable Medical Supplies	\$27.00

- B. Where other special services are requested or needed by any patient or authorized representative thereof, a reasonable charge commensurate with the cost of furnishing such special service may be made, provided that the ambulance operator shall file with the dDirector of the dDepartment of hHealth sServices a schedule of each special service proposed and the charge therefore, which charge shall be effective unless modified, restricted, or denied by the dDirector of the dDepartment of hHealth sServices. Special services are defined as services provided to a patient that are unique and individual to a specific patient's needs, and are performed on a limited basis.
- C. Charges for special services provided to patients that are new services, but will become an industry standard, must be reviewed and a rate commensurate with the service developed prior to ambulance operators charging such rate to the general public. Such rates shall not be charged to patients until approved by the <u>bB</u>oard of <u>sSupervisors</u>.
- D. This section does not apply to a contract between an ambulance operator and the eCounty where different rates or payment mechanisms are specified.

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* Editor's note: Fee changes in this section include changes made by the Director of Emergency Medical Services Agency due to increases in the Consumer Price Indexinaccordance with County Code Section 7.16.340 – Modification of Rates and are effective July 1, 2015 2017, and every July 1 thereafter.

SECTION 3. Section 7.16.340 is hereby amended to read as follows:

7.16.340 Modification of rRates.

The maximum rates chargeable to the general public as set forth in Sections 7.16.280 and 7.16.310 of this chapter shall be adjusted effective July 1, 1992, and on July 1st of each year thereafter, to reflect changes in the value of the dollar. For each of the one year periods respectively beginning July 1, 1992 and July 1, 1993 such adjustments shall be made by multiplying the base amounts by the percentage change in the transportation portion of the Consumer Price Index for All Urban Consumers. Western Region, as compiled and reported by the Bureau of Labor Statistics for the 12-month period ending with the last day of the prior month of February. Beginning July 1, 1994, and on each July 1 thereafter, such adjustments shall be determined by multiplying the base amounts by the average of the percentage changes of the transportation portion and of the medical portion of the Consumer Price Index for All Urban Consumers, Western Region, as compiled and reported by the Bureau of Labor Statistics for the 12-month period ending with the last day of the prior month of February. The result so determined shall be rounded to the nearest \$0.25 and added or subtracted, as appropriate, to the rate. Beginning July 1, 2017, and on every July 1, thereafter, such adjustments shall be determined by multiplying seventy-five (75)

percent of the base amounts by the percentage change of the minimum wage change in Los Angeles County as defined in County Code Section 8.100.040 - Minimum Wage and by multiplying twenty-five (25) percent of the base amounts by the percentage change of the Medical Care line item of the Consumer Price Index for All Urban Consumers, Western Region, as compiled and reported by the Bureau of Labor Statistics for the 12-month period ending with the last day of the prior month of February, except for the following charges: Registered Nurse/Respiratory Therapist per hour after the first three (3) hours adjustment shall be determined by multiplying the current charge by the percentage change of the minimum wage change in Los Angeles County as defined in County Code Section 8.100.040 - Minimum Wage; mileage adjustment shall be determined by multiplying the current charge by the percentage change of the transportation line item of the Consumer Price Index for All Urban Consumers, Western Region, as compiled and reported by the Bureau of Labor Statistics for the 12-month period ending with the last day of the prior month of February; and Oxygen, Disposable Medical Supplies, and Ventilator adjustments shall be determined by multiplying the current charges by the percentage change of the Medical Care line item of the Consumer Price Index for All Urban Consumers, Western Region, as compiled and reported by the Bureau of Labor Statistics for the 12-month period ending with the last day of the prior month of February. The result so determined shall be rounded to the nearest whole number and added or subtracted, as appropriate, to the rate. The dDirector of the dDepartment of hHealth sServices, or authorized designee, shall initiate implementation of these rate changes by notifying in writing each

licensed private ambulance operator in Los Angeles County thereof, and any other individual or agency requesting such notification from the dDirector. Such notice shall be sent by first class mail no later than June 15 of the prior period.

SECTION 4. Section 7.16.341 is hereby deleted in its entirety:

7.16.341 - Period base rate review.

The maximum base rates for ALS and BLS services, as reflected in Section 7.16.280, shall be reviewed in accordance with the following procedures, and adjusted, if appropriate, effective first on January 1, 2005 and later, also if appropriate, on January 1 of every other year thereafter.

On or about July 1 of the year prior to the January 1 adjustment date, the director of the department of health services shall review the ALS and BLS ambulance rates of all other counties in California to determine the average rates for these services in effect for these counties as of the review date. If the Los Angeles County rates are equal to or above average, no adjustment to the Los Angeles County Code rates will be made under this provision. If one or both of the Los Angeles County rates are less than the average, then an appropriate adjustment to the rate or rates shall be made to bring it (them) to the average. Any required adjustment shall be rounded to the nearest \$0.25. The director of the department of health services shall initiate implementation of these rate adjustments by notifying in writing each licensed private ambulance operator in Los Angeles County thereof, and any other individual or agency who has requested such notification from the director. Such notice shall be sent by first class mail no later than December 15 of the prior rate period.

Nothing herein is intended to prevent licensed ambulance operators from demonstrating that ALS and BLS rates in Los Angeles County fail to provide operators with a reasonable rate of return on their investment. A licensed operator at any time may submit to the director of the department of health services its cost and revenue data, and other pertinent documentation which the director may require for this purpose. If this information evidences to the director's satisfaction that the ALS rate or BLS rate, or both, fail to provide the operator with a reasonable rate of return, the director shall propose a different base rate structure to the board of supervisors for consideration. [716280EMCC]